

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3711-01
Bill No.: HB 1594
Subject: Appropriations; Department of Corrections; Law Enforcement Officers and Agencies
Type: Original
Date: February 4, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$6,452,136)	(\$14,897,088 to \$15,686,686)	(\$15,014,091)
Total Estimated Net Effect on <u>All</u> State Funds	(\$6,452,136)	(\$14,897,088 to \$15,686,686)	(\$15,014,091)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Governor** assume the proposed legislation would have no fiscal impact on their agency.

Officials from the **Department of Corrections (DOC)** analyzed a snapshot of Corrections Officers (COs) within their employ as of January 15, 2002 for the fiscal impact of the salary increase portion of this bill. \$30 for each officer's years of tenure with the DOC is the basis of the salary increase. An additional 1.5 years of impact would occur before the July 2, 2003 effective date of this proposal and that cost is not included in this note. The estimated cost is as follows:

CLASS	# OF OFFICERS	FY 04 SALARY INCREASE
CO I	4,347	\$579,442.50
CO II	575	142,232.50
CO III	191	67,922.50
Total Fiscal Impact		\$789,597.50

CLASS	# OF OFFICERS	FY03 SALARY INCREASE	CURRENT BASE PAY	2% INCREASE IN FY05
CO I	4,347	\$579,442.50	\$4,189,607.50	\$95,381.00
CO II	575	142,232.50	634,330.50	15,531.26
CO III	191	67,922.50	236,597.00	6,090.39
Total Fiscal Impact				\$117,002.65

ASSUMPTION (continued)

DOC's actual compensatory time balances as of December 31, 2001 are as follows:

CLASS	COMP HOURS	MULTIPLIED @ \$12 HOURLY AVERAGE
CO I	446,355	\$5,356,260.00
CO II	74,526	894,312.00
CO III	16,797	201,564.00
Total Fiscal Impact – FY 03		\$6,452,136.00

The computation above is paying to a zero balance. An additional year's comp-time would accrue prior to the January 1, 2003 effective date of this payoff and this cost is not included in this fiscal note. It is assumed most officers would choose to receive a pay-off of their comp-time.

Below is an approximate accrual of comp-time over the period of one year. In 2001 more than 50% of accruals were requested and managed off. It is anticipated most officers will request the payoff which will significantly impede management's attempt to work off the time. This is a conservative estimate as the hourly dollar average will be higher at the increased salary.

CLASS	COMP HOURS	MULTIPLIED @ \$12 HOURLY AVERAGE
CO I	1,032,552	\$12,390,624.00
CO II	162,864	1,954,368.00
CO III	46,008	552,096.00
Total Fiscal Impact – FY 04 & Ongoing		\$14,897,088.00

In summary, DOC will incur the fiscal expense of the comp-time pay off of \$6,452,136 in FY 03.

FY 04 costs include the average annual comp-time pay off plus the \$30 per years of service increase ($\$14,897,088 + 789,598 = \$15,686,686$).

Beginning in FY 05, the DOC will have fiscal impact for comp-time pay off and the compounding 2% salary increase ($\$14,897,088 + 117,003 = \$15,014,091$). DOC will have this

fiscal impact for every year thereafter providing the appropriations exist.

ASSUMPTION (continued)

Oversight assumes the \$30 per years of service increase to Corrections Officers, totaling \$789,598 in FY 03, is subject to appropriations.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE			
Costs – Department of Corrections		(\$14,897,088	
Salaries	(\$6,452,136)	to \$15,686,686)	(\$15,014,091)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	(\$6,452,136)	(\$14,897,088 to \$15,686,686)	(\$15,014,091)
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

The proposed legislation would provide, subject to appropriations, a one-time pay increase for corrections officers of \$30 per month for each year of service as a corrections officer. Thereafter, corrections officers would receive an annual increase of 2%.

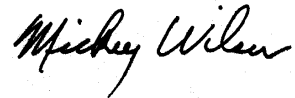
The proposal also would provide for overtime pay or compensatory time to be given to corrections officers. Beginning January 1, 2003, the Department of Corrections would be required to pay corrections officers in full for unused overtime hours accrued during the previous calendar year.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Governor
Department of Corrections

NOT RESPONDING: Office of Administration

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Acting Director

February 4, 2002